Features of the food market in the Fergana valley

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ABSTRACT

The article explores the peculiarities of the Ferghana Valley food market in a systematic manner. The objective features are analyzed. The potential of agricultural land and transport systems is revealed. Estimated the value of the nutritional value of the population. The analysis of cluster formation and investment attraction to ensure efficient functioning of the food market is analyzed.

Keywords: Fergana valley, food market, agriculture, nutrition, region, cluster, investment.

1. INTRODUCTION

From a macroeconomic standpoint, the food market operates as a holistic mechanism across the country. At the same time, each region has its own food market due to its significant regional differences in economic development, uneven natural and climatic conditions, and national labor division and participation.

The formation and development of the Ferghana Valley food market is influenced by macroeconomic factors that are characteristic of all regions of Uzbekistan, on the one hand, and on the other. It is advisable to study the characteristics of the food market in the Fergana Valley in a systematic manner by the causes and nature of their occurrence.

Objective characteristics are formed by the climatic conditions of the economy, availability and accessibility of surface and transport routes, storage and timely delivery of the produce to the buyer, the diet of the regular population and the high proportion of food in it.

The climatic conditions of the Fergana Valley allow us to produce the main products offered in the food market. The main resource of agricultural producers is irrigated land. They will be placed in machinery, food and livestock feed crops. Although cotton and wheat are in the forefront, food production, gardening and viticulture (especially intensive orchards) are growing rapidly, which are in demand and in demand in foreign markets. In terms of food production, certain regions of the Ferghana Valley have their own natural, historical and traditional advantages.

The share of mountains in the Fergana Valley region of Uzbekistan is lower than in Kyrgyzstan or Tajikistan. However, most of the region's territory consists of piedmont areas. It is precisely in the piedmont regions that the agricultural production is dominated by food products, which are highly demanded on the world market.

2. ANALYSIS AND RESULTS

Agricultural land in the Fergana Valley is expected to be 966,400 hectares in 2018, with 0.102 hectares per capita. This indicator was 0.143 hectares in Andijan region in 1990, 0.251 hectares in Namangan region and 0.145 hectares in Ferghana region. This necessitates the efficient use of available land resources in the future, given the future population growth.

About 80.0% of the agricultural land in the Ferghana Valley is irrigated. Irrigated areas are located in the central valley and in foothills and hills. The Adir zones are irrigated through the 4-stage lifting pumps, which increases the cost of the product. The development of irrigation systems in the region and the presence of major canals in the region guarantee the agricultural water supply adequately.

In recent years, work has begun to build modern logistics systems in the Ferghana Valley. Along with automobile transport, rail transport plays an important role. The increase in rail weight in freight traffic has been significantly affected by the launch of the railway tunnel and the Angren-Pap railway in the Kamchik period. High density of railways in the Fergana Valley. However, it is advisable to bring the railways closer to large enterprises and consignors. Regular establishment of the railway communication and its provision with state-of-the-art trucks play an important role in ensuring the quality of food products.

The state of the Fergana Valley food market and the increase in supply also depend on how much market participants actually have access to markets in other regions of the country and in foreign markets. In particular, the abolition of a number of interior posts at the checkpoints of regions and districts by the President of the country in 2017 has led to a greater movement of goods in the national markets. The abolition of serious barriers to agricultural exports further expanded the ability of exporters. At present, the problems with logistics preclude the production of a number of products that are highly competitive on the external market and dramatically increase the efficiency of these industries.

Of course, the offer of the food market should be focused primarily on local consumers. The role of bread and bakery products in local food consumption remains high. During the years of independence the consumption of potatoes has increased significantly. At the same time, consumption of fruits and vegetables increased particularly rapidly. These processes indicate that the welfare of the population has reached a high level in quantity and quality.

Although the regions of the Fergana Valley are not significantly different in terms of the quantitative and structural structure of food consumption, there are significant differences in the free prices of livestock products and fruits. We believe that this alone is not enough to explain income differences. This situation indicates that logistics is underdeveloped and there are certain difficulties in the movement of inter-regional goods.

The food market should conform to the traditional diet of the population. Despite the fact that bread and bakery products and vegetable oil are the main ingredients in the diet, rice, meat and potatoes are among the main products in the years of independence.

It is well-known that, depending on the region's climatic conditions, the population needs to consume 2800-3500 kcal of nutrients a day. At the same time, each family, depending on its financial and economic potential, provides nutrients at the expense of cheaper or more expensive products. In particular, during the years of independence the consumption of meat and eggs is not only high, but also due to the high demand for these products.

Of course, the diet of the population on the one hand should be balanced with the necessary elements, and the balanced diet on the other hand is expensive. Therefore, it is necessary to take measures to mitigate the unbalanced diet for the poor. During the years of independence, the diet of the people of the Fergana Valley is reflected in the weight and height of the children and the results achieved in various sports. In particular, the cost of a feeding calorie of 3,200 kcal in the Ferghana Valley is on average 19,200 sums. Comparing the average wage with this value indicates that the purchasing power of the population is high.

Energy consumption and the cost of 100 grams of food in Fergana Valley 1

№	Optional product type	Daily energy	Average price for
		consumption, kcal	2018, som
1.	1 grade wheat flour	220	1500
2.	Honey	314	3000
3.	Tvorog	232	1400
4.	Beef	218	4000
5.	Fish with a fish	121	2500
6.	Eggs	157	600
7.	Cotton and sunflower oil	899	900
8.	Cabbage	27	300
9.	Onions	41	200
10.	Tomato	23	300
11.	Carrots	30	200
12.	Apricot dandruff	297	600
13.	Apples	45	600
14.	Raisins	289	1500
15.	Rice	330	1600
	Total	3243	19200

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¹ Based on data from the Ministry of Health of the Republic of Uzbekistan and the Farghona Valley dehkan markets.

In the general approach, the diet of the population is formed as a summarized expression of the influence of natural needs, income levels, energy and commodity prices, the supply of essential elements, national and religious customs and traditions, changes in the way of life and the like. For example, in the North, beef is preferable, while in the Ferghana Valley, mutton is more valued and highly priced on the market. In recent years, poultry has become increasingly important in consumer consumption. In the first years of independence, poultry meat was predominantly imported, but now domestic production is showing its benefits and fully capturing the domestic market. Livestock development is intensified in the Ferghana Valley.

The diet composition of the population in different regions of the Ferghana Valley has not been studied separately. However, there are significant differences in the diet of the piedmont region, the adyr region, the plain region (Central Fergana) and the industrial cities, which are also apparent in market prices. In particular, higher-priced foods are more expensive in the plain regions of Andijan, and cheaper in the foothills. The reason for this is the level of income, and as the population grows, the demand for expensive food products grows faster and is reflected in these prices. In geographically elemental conditions of the market (which, in turn, is associated with difficulties in the interregional movement of goods), prices vary significantly in different regions. This can be seen in the example of meat prices in the Ferghana Valley. It should be noted that specific clusters of food production and sale are formed. This is reflected in the spatial concentration of individual production in certain regions. In the Fergana Valley, there are pre-existing small clusters for logistics development. Because clusters have labor resources that are highly responsive to the industry's production needs, and most importantly, entrepreneurial resources, or more quickly to solve problems.

Cluster formation in the region is based on favorable climatic conditions. However, in the conditions of a free-flowing economy, the entrepreneurial potential of the region is a key factor. The formation and development of the cluster begins with the initiative, enthusiasm and dedication of the individual entrepreneur. In the Ferghana Valley, at the beginning of each sub-cluster, there are individual entrepreneurs.

Economic policy and agrarian policy, which is an integral part of the state, play a very important role in the formation and development of food clusters. In the past, artificial restraint on clusters formation and development was dominated by cotton over other agricultural sectors, giving it a monopoly, and the consolidation of all resources contrary to market principles. The reduction of cotton fields, which is currently underway, will lead to a significant increase in supply in the Ferghana Valley food market in the near future. This will stimulate production in existing clusters and form new clusters. As a result, employment will be provided to the population, thus increasing the demand and quality of the domestic food market.

The formation of supply in the Ferghana Valley food market is related to farms, which are relatively large producers of food. In recent years, the objective has been to transform farms, including cotton, into diversified farms. As a result, farms in these areas have the opportunity to produce and process large quantities of food.

At present, intensive agriculture, especially in the greenhouse, is actively developing in the food-processing sector of agriculture. In the Ferghana Valley, this approach allows for several times higher yields in smaller areas with relatively low costs. In addition, agriculture is developing in a diversification harness. You can often change the product range.

3. CONCLUSION AND RECOMMENDATIONS

One of the most important issues in food production in the Ferghana Valley is the attraction of investments. Foreign investments are attracted to agricultural processing companies, but they are not significant. The state capital prevails in grain processing and in vegetable oil production.

While private enterprises do not have a large production capacity, they produce a wide range of products. Particularly, in fruit and vegetable and livestock production, certain results are achieved. The ease with which the bank obtains credit resources has opened the way for investment.

Foreign direct investment in agricultural production is virtually non-existent. This, of course, is due to the land relations that have developed in our country. Changing land ownership relations at the

discretion of foreign investors does not meet the objectives of the country's development strategy. In this regard, we have to rely on public investment in agricultural production.

Such investments will be directed to the activities of business entities and production infrastructure. The development of infrastructure is largely the responsibility of the state. For example, it is not possible to transfer the construction and operation of irrigation facilities to private equity. The establishment of the Ministry of Water Resources by the Decree of the President of the Republic of Uzbekistan in 2018 has also demonstrated the need for state-owned irrigation infrastructure.

Private investments now play a crucial role in the agricultural production of the food market. However, setting up modern production, such as the establishment of intensive gardens, requires significant investment. It is natural that in such a large production, the results will not be immediate, and the funds will remain motionless. Generally, one of the best solutions is to attract bank loans. Measures should be taken to ensure that agricultural entities can play a role in the credit market. It should be noted that in recent years, loans to households for purchasing livestock, poultry, and greenhouses have had a positive impact on the food market. Exemption from income tax on production and processing of products by population and dehkan farms is also an important factor of investment incentives in the food market.

In general, the food market in the Ferghana Valley is expanding on both demand and supply. Where market demand is linked to increased income, the supply in the market depends on the development of the food industry, the support of dehkan and farms, and household farms.

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